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<b>State:</b>	Arkansas	<b>Filing Company:</b>	Shenandoah Life Insurance Company
<b>TOI/Sub-TOI:</b>	L08 Life - Other/L08.000 Life - Other		
<b>Product Name:</b>	Life Policy Endorsement		
<b>Project Name/Number:</b>	/		

## Filing at a Glance

Company:	Shenandoah Life Insurance Company
Product Name:	Life Policy Endorsement
State:	Arkansas
TOI:	L08 Life - Other
Sub-TOI:	L08.000 Life - Other
Filing Type:	Form
Date Submitted:	10/23/2012
SERFF Tr Num:	SHEN-128739399
SERFF Status:	Closed-Approved-Closed
State Tr Num:	
State Status:	Approved-Closed
Co Tr Num:	
Implementation	On Approval
Date Requested:	
Author(s):	Thomas Mason
Reviewer(s):	Linda Bird (primary)
Disposition Date:	10/30/2012
Disposition Status:	Approved-Closed
Implementation Date:	
State Filing Description:	

State: Arkansas  
 TOI/Sub-TOI: L08 Life - Other/L08.000 Life - Other  
 Product Name: Life Policy Endorsement  
 Project Name/Number: /

Filing Company: Shenandoah Life Insurance Company

## General Information

Project Name:	Status of Filing in Domicile: Authorized
Project Number:	Date Approved in Domicile: 05/01/2012
Requested Filing Mode: Review & Approval	Domicile Status Comments:
Explanation for Combination/Other:	Market Type: Individual
Submission Type: New Submission	Individual Market Type:
Overall Rate Impact:	Filing Status Changed: 10/30/2012
	State Status Changed: 10/30/2012
Deemer Date:	Created By: Thomas Mason
Submitted By: Thomas Mason	Corresponding Filing Tracking Number:

Filing Description:  
 October 23, 2012

Arkansas Insurance Department  
 1200 West Third Street  
 Little Rock, AR 72201

RE: SHENANDOAH LIFE INSURANCE COMPANY  
 NAIC 68845; FEIN 54-0377280

Form 6058-4/12 – Life Policy Endorsement  
 Form 6059-4/12 – Non-Qualified Annuity Endorsement  
 Form 6060-4/12 – Tax-Sheltered Annuity Endorsement

To Whom It May Concern:

The above Endorsement forms are enclosed for approval by the Department. The forms are intended for use with any previously or subsequently approved policies as specified in the following paragraphs.

Form 6058-4/12 would be attached to an individual term, whole life, or universal life policy which would assure the policy remains tax and legally compliant in the future, with a self-correcting provision to protect against a potential tax-qualification problem that may be discovered in the future. This policy endorsement will have no financial effect on policy reserves.

Form 6059-4/12 would be attached to a non-qualified annuity policy and will clarify the requisite language for a policy which does not comply clearly with the requirement that the contract expressly provides that when the contract holder is an entity, as opposed to a living individual, that any change in the contract's primary annuitant will be treated as the death of the contract holder. This policy endorsement will have no financial effect on policy reserves.

Form 6060-4/12 would be attached to a tax-sheltered 403(b) qualified annuity policy which includes the requisite descriptive language to comply with the final regulations governing 403(b) qualified annuities of the Internal Revenue Service, which were issued in 2007. This is due to the fact that Shenandoah Life issued 403(b) qualified annuities to schools and other tax-exempt employers between 1995 and 2002, and before the final regulations were enacted in 2007. This policy endorsement will have no financial effect on policy reserves.

If you require further information or have any questions, please so advise.

**State:** Arkansas  
**TOI/Sub-TOI:** L08 Life - Other/L08.000 Life - Other  
**Product Name:** Life Policy Endorsement  
**Project Name/Number:** /

**Filing Company:** Shenandoah Life Insurance Company

Sincerely,

Pamela N. Ferguson  
Director – Legal Services

## Company and Contact

### Filing Contact Information

Pamela Ferguson, Director, Legal Services pam.ferguson@shenlife.com  
P.O. Box 12847 800-848-5433 [Phone] 4221 [Ext]  
Roanoke, VA 24029 540-857-5987 [FAX]

### Filing Company Information

Shenandoah Life Insurance Company	CoCode: 68845	State of Domicile: Virginia
2301 Brambleton Ave. SW	Group Code: 891	Company Type: Life and Health
P.O. Box 12847	Group Name:	State ID Number:
Roanoke, VA 24029	FEIN Number: 54-0377280	
(800) 848-5433 ext. [Phone]		

## Filing Fees

Fee Required?	Yes
Fee Amount:	\$150.00
Retaliatory?	No
Fee Explanation:	\$50 per form x 3 forms - \$150.00
Per Company:	No

Company	Amount	Date Processed	Transaction #
Shenandoah Life Insurance Company	\$150.00	10/23/2012	64163922

<b>SERFF Tracking #:</b>	SHEN-128739399	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	Arkansas	<b>Filing Company:</b>	Shenandoah Life Insurance Company
<b>TOI/Sub-TOI:</b>	L08 Life - Other/L08.000 Life - Other		
<b>Product Name:</b>	Life Policy Endorsement		
<b>Project Name/Number:</b>	/		

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Linda Bird	10/30/2012	10/30/2012

<b>SERFF Tracking #:</b>	SHEN-128739399	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	Arkansas	<b>Filing Company:</b>	Shenandoah Life Insurance Company
<b>TOI/Sub-TOI:</b>	L08 Life - Other/L08.000 Life - Other		
<b>Product Name:</b>	Life Policy Endorsement		
<b>Project Name/Number:</b>	/		

## Disposition

Disposition Date: 10/30/2012

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

Schedule	Schedule Item	Schedule Item Status	Public Access
Supporting Document	Flesch Certification		Yes
Supporting Document	Application		No
Form	Life Policy Endorsement		Yes
Form	Non-Qualified Annuity Endorsement		Yes
Form	Tax-Sheltered Annuity Endorsement		Yes

SERFF Tracking #:

SHEN-128739399

State Tracking #:

Company Tracking #:

State: Arkansas

TOI/Sub-TOI: L08 Life - Other/L08.000 Life - Other

Product Name: Life Policy Endorsement

Project Name/Number: /

Filing Company:

Shenandoah Life Insurance Company

## Form Schedule

### Lead Form Number: Form 6058-4/12

Item No.	Schedule Item Status	Form Name	Form Number	Form Type	Form Action	Action Specific Data	Readability Score	Attachments
1		Life Policy Endorsement	Form 6058-4/12	POLA	Initial			Form 6058 - Life Policy Endorsement.pdf
2		Non-Qualified Annuity Endorsement	Form 6059-4/12	POLA	Initial			Form 6059 - Non-Qualified Annuity Endorsement.pdf
3		Tax-Sheltered Annuity Endorsement	Form 6060-4/12	POLA	Initial			Form 6060 - Tax-Sheltered Annuity Endorsement.pdf

### Form Type Legend:

<b>ADV</b>	Advertising	<b>AEF</b>	Application/Enrollment Form
<b>CER</b>	Certificate	<b>CERA</b>	Certificate Amendment, Insert Page, Endorsement or Rider
<b>DDP</b>	Data/Declaration Pages	<b>FND</b>	Funding Agreement (Annuity, Individual and Group)
<b>MTX</b>	Matrix	<b>NOC</b>	Notice of Coverage
<b>OTH</b>	Other	<b>OUT</b>	Outline of Coverage
<b>PJK</b>	Policy Jacket	<b>POL</b>	Policy/Contract/Fraternal Certificate
<b>POLA</b>	Policy/Contract/Fraternal Certificate: Amendment, Insert Page, Endorsement or Rider	<b>SCH</b>	Schedule Pages



## LIFE POLICY ENDORSEMENT

This Endorsement forms a part of the policy or contract to which it is attached (the "Contract") by Shenandoah Life Insurance Company (the "Company").

### TAX PROVISIONS

This Policy has death benefit, premium, or other provisions that were designed to maintain the tax qualification of this Policy as a life insurance contract for federal tax purposes, and to provide that the death benefit amount under this Policy is never less than the minimum amount needed to maintain such tax qualification. To clarify the operation of these tax qualification provisions under more specific circumstances, this Policy is amended as of its issue date by adding the following provisions in the specified Sections of the Policy, which supersede any corresponding provisions already in the Policy, e.g., Compliance with the Internal Revenue Code.

### GENERAL PROVISIONS

**Tax Qualification as Life Insurance** – This Policy is intended to qualify as a life insurance contract for federal tax purposes, and the death benefit under this Policy is intended to qualify for the federal income tax exclusion. To achieve these purposes, the provisions of this Policy (including this endorsement and any other endorsement or rider that does not specifically override this tax qualification provision) shall be interpreted to ensure and maintain such tax qualification, despite any other provision to the contrary. At no time shall the amount of death benefit under this Policy ever be less than the minimum amount needed to ensure or maintain such tax qualification. If needed, the death benefit shall be increased retroactively and prospectively to the minimum extent necessary, so that at no time is the death benefit ever less than such minimum amount, and the Accumulated Value will be reduced to reflect any increased Monthly Deductions resulting from such a death benefit increase.

We will not accept a premium payment that would cause the Policy to fail to qualify as a life insurance contract for federal tax purposes. If at any time the premiums paid under this Policy exceed the amount allowable for such tax qualification, this excess amount, including any interest (or associated investment gains or losses) as determined under federal tax law, shall be removed from the Policy as of the date of its payment, and any appropriate adjustment in the death benefit amount and/or Accumulated Value shall be made as of such date. This excess amount, including any interest (or associated investment gains or losses), shall be refunded no later than 60 days after the end of the applicable contract year, as determined under federal tax law. For any such refund amount, any premium load originally assessed on it will be refunded and no surrender charges will apply.

If this excess amount is not refunded by the end of such 60-day period, the death benefit amount shall be increased retroactively and prospectively to the minimum extent necessary, so that at no time is the death benefit amount ever less than the minimum amount necessary to ensure or maintain such tax qualification, and the Accumulated Value will be reduced to reflect any increased Monthly Deductions resulting from such a death benefit increase.

Similarly, if the death benefit amount that we report to you for any duration is less than the minimum amount needed to ensure or maintain such tax qualification (e.g., because of an increase in Accumulated Value for such duration), the death benefit amount shall be increased retroactively and prospectively to the minimum extent necessary, so that at no time is the death benefit amount ever less than such minimum amount, and the Accumulated Value will be reduced to reflect any increased Monthly Deductions resulting from such a death benefit increase.

If you request a decrease in Policy or rider benefits, it may cause a reduction in any applicable tax limits on premiums or cash values for the Policy to maintain such tax qualification. Such a reduction in these limits may require us to make a distribution from the Policy equal to the greatest amount by which the premiums paid or cash values for the Policy exceed any such reduced limits, as determined under federal tax law, in order to maintain such tax qualification. If such a distribution is made, the distribution will be paid to you, and the Accumulated Value will be reduced by the amount of the distribution. However, no request for a decrease in Policy or rider benefits shall be allowed by us to the extent that the resulting reduction in such tax limits would require us to distribute more than the Cash Value for the Policy.

We reserve the right to amend the Policy from time to time, without consent (where allowed by law), to reflect any clarifications that may be needed or are appropriate to maintain compliance with any applicable tax qualification requirements. We will send you a copy of any such amendment, and when required by law, we will obtain the approval of the appropriate regulatory authority.

This Endorsement will end when the Contract terminates.

All other provisions of the Contract remain unchanged.

IN WITNESS WHEREOF, Shenandoah Life Insurance Company has caused this Endorsement to be signed by the [President and Secretary].

**[*Jane Doe*]**  
**[Secretary]**

**[*John Doe*]**  
**[President]**



## NON-QUALIFIED ANNUITY ENDORSEMENT

This Endorsement forms a part of the policy or contract to which it is attached (the "Contract") by Shenandoah Life Insurance Company (the "Company").

### TAX PROVISIONS

The following provisions are being added to the Contract as of its issue date in order to clarify the Contract provisions that help maintain the Contract's tax qualification as an annuity contract for federal tax purposes under the Internal Revenue Code of 1986, as subsequently amended (the "Code"). To achieve these purposes, the Contract provisions are clarified and amended to provide as follows, despite any other provision to the contrary in the Contract (including any endorsement or rider thereto):

I. Required Distributions Before or After the Annuity Starting Date

A. Death of Owner or Primary Annuitant, or Change of Primary Annuitant

Subject to the alternative election, spouse beneficiary and interpretative provisions in subsection B or C immediately below, or in the Tax Qualification provisions below.

1. If any Owner dies on or after the Annuity Starting Date (see paragraph C.1 below) and before the entire interest in this Contract has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution being used as of the date of such death;
2. If any Owner dies before the Annuity Starting Date, the entire interest in this Contract shall be distributed within 5 years after such death;
3. If the Owner is not an individual, then for purposes of the immediately preceding paragraph 1 or 2, (a) the Primary Annuitant (see paragraph C.2 below) under this Contract shall be treated as the Owner, and (b) any change in the Primary Annuitant allowed by this Contract shall be treated as the death of the Owner; and
4. Any postponement of the Annuity Starting Date, if allowed by this Contract, may not be postponed beyond the Primary Annuitant's attaining age 95, without our written consent.

B. Alternative Election and Spousal Beneficiary Provisions That Satisfy Distribution Requirements

Subject to any restrictions imposed by any regulations or other published guidance from the IRS interpreting Code Section 72(s).

1. If any portion of the interest of an Owner described in subsection A immediately above is payable to or for the benefit of an individual designated as a beneficiary by an Owner, and such beneficiary elects after such death to have such portion distributed over a "Qualifying Distribution Period" (described herein) that is allowed by this Contract upon such death, then for purposes of satisfying the requirements of paragraph A.1 or A.2 immediately above, such portion shall be treated as distributed entirely on the date such periodic distributions begin. A "Qualifying Distribution Period" is a period that (a) does not extend beyond such beneficiary's life (or life expectancy) and (b) starts within one year after such death.

2. Such a designated beneficiary includes any individual joint Owner or successor Owner who becomes entitled to any portion of such an interest upon an Owner's death, or any other individual who controls the use of the cash value of such a portion upon an Owner's death. Any designated beneficiary may elect any settlement or other distribution option for a Qualifying Distribution Period that is allowed by this Contract upon an Owner's death (e.g., before the Annuity Starting Date). In determining which distribution options can qualify for such a Qualifying Distribution Period, we may treat any Contract amount that is payable upon an Owner's death to a trust (or other entity) for the benefit of an individual beneficiary as an interest (or portion thereof) that is payable for the benefit of such a designated beneficiary under this subsection B, where such individual beneficiary certifies to us that he or she (a) is treated as the tax owner of such a trust amount for federal income tax purposes (e.g., under Code Section 671-678) and (b) can compel its distribution to himself or herself from such trust.
3. If any portion of the interest of an Owner described in subsection A immediately above is payable to or for the benefit of such Owner's surviving spouse (e.g., as a result of such spouse being a joint Owner or a trust beneficiary described in paragraph B.2 above), then such spouse shall be treated as the Owner with respect to such portion for purposes of the requirements of subsection A. Where such spouse is the sole designated beneficiary of this Contract upon such Owner's death, such spouse may elect to continue this Contract as the Owner, and we may treat such spouse as an annuitant if such deceased Owner was the annuitant and no other surviving annuitant has been designated.

C. Interpretative Provisions

Subject to any contrary provisions in any regulations or other published guidance from the IRS interpreting Code Section 72(s):

1. The Annuity Starting Date means the first day of the first period for which an amount is received as an annuity under the Contract, as defined in Code Section 72(c)(4) (and any regulations thereunder).
2. The Primary Annuitant means the individual, the events in the life of whom are of primary importance in affecting the timing or amount of the payout under the Contract, as defined in Code Section 72(s)(6)(B) (and any regulations thereunder).
3. We will treat any holder of this Contract as its Owner for purposes of subsection A or B immediately above where necessary or appropriate.
4. Paragraphs A.1 and A.2 immediately above shall not apply to this Contract if it was issued before January 19, 1985, and was not materially changed on or after such date.
5. Paragraph A.3 immediately above shall not apply to this Contract if it was issued before April 23, 1987, and was not materially changed on or after such date.

II. General Tax Qualification Provisions

This Contract is intended to qualify as an annuity contract for federal income tax purposes and to satisfy any related requirements of Code Section 72(s). To achieve these purposes, the provisions of this Contract (including this endorsement and any other endorsement or rider to the Contract that does not specifically override this tax qualification provision) are to be interpreted to ensure or maintain such a tax qualification, despite any other provision to the contrary. Payments and distributions under this Contract shall be made in a time and manner necessary to maintain such a tax qualification under the applicable provisions of the Code. We reserve the right to amend this Contract from time to time, without consent (where allowed by law), to reflect any clarifications that may be needed or are appropriate to maintain such a tax qualification or to conform this Contract to any applicable changes in the tax qualification requirements. We will send you a copy of any such amendment, and when required by law, we will obtain the approval of the appropriate regulatory authority.

This Endorsement will end when the Contract terminates.

All other provisions of the Contract remain unchanged.

IN WITNESS WHEREOF, Shenandoah Life Insurance Company has caused this Endorsement to be signed by the [President and Secretary].

**[*Jane Doe*]**  
**[Secretary]**

**[*John Doe*]**  
**[President]**



## TAX-SHELTERED ANNUITY ENDORSEMENT

This Endorsement forms a part of the policy or contract to which it is attached (the "Contract") by Shenandoah Life Insurance Company (the "Company"). This Endorsement expires concurrently with the Contract and is subject to all provisions, definitions, limitations, and conditions of the Contract not changed by this Endorsement.

The Contract is hereby modified as specified below to qualify as a Tax-Sheltered Annuity ("TSA") under Code Section 403(b) that does not contain any designated Roth Contribution (described below). The provisions of this Endorsement shall control to the extent that they are in conflict with those of the Contract. However, the provisions of any Section 403(b) Plan that govern this TSA Contract shall control to the extent that they conflict with those of this Endorsement (or the Contract, *e.g.*, when compared to Sections B.3-B.9 below) and such an override would not result in such Plan or the Contract losing its tax-qualified status. Unless expressly stated, the modifications to the Contract under this Endorsement do not remove any non-tax restriction or limitation in the Contract on distributions, contributions, withdrawals or loans, or grant any additional contractual rights not granted by any other section of the Contract, if such a modification or grant is not required to maintain the favorable tax treatment of the Contract (or any loan or other distribution thereunder) as a TSA under the Code; provided further, in no case may the terms of the Section 403(b) Plan expand the terms of the Contract or impose any responsibilities or duties on the Company not specifically set forth in the Contract or this Endorsement.

We, the Company, may rely on the Eligible Employer that is the sponsor of such Section 403(b) Plan (or a representative thereof) for representations regarding the applicable provisions of such Section 403(b) Plan, any delegation of authority or responsibility thereunder by the Eligible Employer, or any instruction or information that We deem necessary, or is provided to Us, to process any request under this Endorsement or otherwise to carry out the terms of the TSA Contract. The Eligible Employer is responsible for sharing with Us information that is necessary for Us to administer the Contract in accordance with the terms of the Section 403(b) Plan and the Code, including information necessary for Us to satisfy any withholding or information reporting obligations that We may have under the Code with respect to the Contract. We shall rely upon the Eligible Employer's instructions in permitting exchanges and making distributions from the Contract (including loans) in accordance with the terms of the Section 403(b) Plan. In the absence of representations, instructions, or information from the Eligible Employer (in the form and manner required by Us) that We deem necessary to administer the Contract in conformity with the Section 403(b) Plan and the Code, We will administer the Contract in the manner We deem appropriate to comply with the requirements of Code Section 403(b). Except to the extent otherwise provided by law or agreed to between Us and the Eligible Employer, We shall share with the Eligible Employer information regarding the Contract that the Eligible Employer reasonably requests for purposes of ensuring adherence to the terms of the Section 403(b) Plan.

## A. Definitions

**Annuitant** – The individual named as a measuring life for periodic annuity payments under the Contract.

**Annuity Start Date** – The first day of the first period for which an amount is received as an annuity under the Contract (taking any Separate Shares into account), as provided in Code Section 72(c)(4) and any Regulations relating thereto. Such date may be a date shown in the Contract Specifications (e.g., the Maturity Date), or the date the Owner has elected most recently under the Contract, if any, for the start of annuity payments if the Annuitant is still living and the Contract is in force, or if earlier, the date that annuity payments actually begin under the Contract (taking any Separate Shares into account).

**Applicable Designation Date** – September 30 of the calendar year next following the Owner's Year of Death, in accordance with Reg. § 1.401(a)(9)-4, Q&A-4.

**Applicable Distribution Period** – The period used to determine the amount required to be distributed as an RMD during a Distribution Year.

**Code** – The Internal Revenue Code of 1986, as amended.

**Company** – Shenandoah Life Insurance Company.

**Contract or Policy** – The attached contract, policy, or certificate issued by Us as a TSA.

**Contract Debt** – Indebtedness secured by a portion of the Contract's cash value, as described in Part D below, e.g., a TSA Loan.

**Contributions** – The premiums, rollovers, or other contributions received by Us under the Contract.

**Designated Beneficiary or DB** – An individual designated or treated as a beneficiary under the Contract for RMD purposes in accordance with the Regulations under Code Section 401(a)(9)(E) and related provisions, e.g., Reg. § 1.401(a)(9)-4. Generally, an individual must be such a beneficiary as of the Owner's date of death and remain such a beneficiary until the Applicable Designation Date in order to be treated as a Designated Beneficiary.

**DB Election Date** – The date that is 30 days prior to the DB Required Beginning Date.

**DB Required Beginning Date** – December 31 of the calendar year next following the Owner's Year of Death.

**Disqualified TSA Loan** – A TSA Loan that is disqualified from favorable tax treatment as described in Part D below.

**Distribution Year** – The calendar year for which an RMD is required. The first Distribution Year is the calendar year in which the Owner attains age 70½ (or, where applicable under Reg. § 1.401(a)(9)-5, Q&A-1(b), the calendar year in which the Owner retires or the calendar year next following the Owner's Year of Death). Each subsequent calendar year is also a Distribution Year.

**Elective Deferral** – An elective deferral under Reg. § 1.403(b)-2(b)(7) and Reg. § 1.402(g)(3)-1.

**Eligible Employer** – An employer that is eligible to sponsor a TSA under applicable Regulations interpreting Code Section 403(b), e.g., Reg. § 1.403(b)-2(b)(8).

**ERISA** – Employee Retirement Income Security Act of 1974, as amended.

**IRS** – Internal Revenue Service.

**Life Expectancy** – The life expectancy of one or more individuals as determined by using the appropriate table in Reg. § 1.401(a)(9)-9.

**Measuring Designated Beneficiary** – The Designated Beneficiary as of the DB Required Beginning Date whose Life Expectancy is used under Reg. § 1.401(a)(9)-4 and § 1.401(a)(9)-5, Q&A-7, to determine any Applicable Distribution Period as of such date. If as of the Applicable Designation Date any trust, estate, or other entity is treated under Reg. § 1.401(a)(9)-4, Q&A-3, as a beneficiary under the Contract (taking any Separate Shares into account), the Contract shall be deemed to have no Measuring Designated Beneficiary. If as of the Applicable Designation Date the Contract (taking any Separate Shares into account) has more than one Designated Beneficiary (and no entity beneficiary), the Measuring Designated Beneficiary is the Designated Beneficiary with the shortest Life Expectancy as of such date.

**Notice Date** – The day on which We receive, in a form satisfactory to Us, proof of death and instructions satisfactory to Us regarding payment of death benefit proceeds.

**Owner or You** – The Owner of the Contract.

**Owner's Election Date** – The December 1 immediately preceding the Required Beginning Date.

**Owner's Year of Death** – The calendar year in which the Owner dies.

**Plan** – A tax-qualified retirement plan or arrangement under the Code, including a TSA or an eligible deferred compensation plan of a state or local government or tax-exempt organization under Code Section 457.

**Primary Annuitant** – The individual defined in Section E.1(c)(i) below.

**QDRO** – A qualified domestic relations order under Code Section 414(p).

**Qualified J&S Election** – An election under the survivor benefit rules that is described in Section B.6 below.

**Qualifying Distribution Period** – A period of time defined in Section E.1(b)(i) below.

**Regulation or Reg.** – A regulation issued or proposed pursuant to the Code.

**Required Beginning Date** – April 1 of the calendar year following the calendar year in which the Owner reaches age 70½, or if later and appropriately allowed by the Section 403(b) Plan, April 1 of the calendar year following the calendar year in which the Owner retires from employment with the Eligible Employer maintaining such Plan. If distributions hereunder commence prior to such date under an annuity option that provides for distributions that are made in accordance with Reg. § 1.401(a)(9)-6, Q&A-1, then the Annuity Start Date shall be treated as the Required Beginning Date in accordance with Reg. § 1.401(a)(9)-6, Q&A-10.

**RMD** – Required minimum distribution under Code Section 401(a)(9) or related Code provision.

**Roth Contribution** – A contribution that is a designated Roth contribution under Reg. § 1.403(b)-3(c).

**Section 403(b) Plan** – The Plan with terms that govern the Contract as a TSA under Code Section 403(b).

**Separate Share** – A separate portion or segregated share of the benefits under the Contract that is determined by an acceptable separate accounting under Reg. § 1.401(a)(9)-8, Q&A-3, or that qualifies as a segregated share for an alternate payee under a QDRO under Reg. § 1.401(a)(9)-8, Q&A-6(b)(1). A Separate Share shall be treated as a separate contract for RMD purposes and Sections B.8 and B.9 below.

**Severance from Employment** – Ceasing to be employed by the Eligible Employer that maintains the governing TSA Plan, as defined in Reg. § 1.403(b)-2(b)(19).

**Spouse** – The Owner's spouse, including a former spouse covered by a QDRO who is treated as the Owner's spouse pursuant to Reg. § 1.401(a)(9)-8, Q&A-6.

**Spouse's Continuation Election Date** – The date that is 30 days prior to the earlier of the Spouse's Required Beginning Date or December 31 of the fifth calendar year after the Owner's Year of Death, in accordance with Reg. § 1.401(a)(9)-3, Q&A-4(c).

**Spouse's Required Beginning Date** – The later of December 31 of the calendar year next following the Owner's Year of Death or December 31 of the calendar year in which the deceased Owner would have attained age 70½.

**Spouse's Year of Death** – The calendar year in which the Surviving Spouse dies.

**Surviving Spouse** – The surviving Spouse of a deceased Owner.

**TSA** – A tax-sheltered annuity contract under Code Section 403(b), including a custodial account, a retirement account or a life insurance contract that is treated as such an annuity contract under Code Section 403(b)(7) or 403(b)(9) or Reg. § 1.403(b)-2(b)(2).

**TSA Loan** – Contract Debt that is secured by a TSA and is described in Part D below.

**We or Us or Our** – Shenandoah Life Insurance Company.

## **B. Tax-Sheltered Annuity Provisions**

The Contract is subject to the requirements of Code Section 403(b) and the Regulations relating thereto, and therefore includes the following provisions:

1. Contract Purchased under a Section 403(b) Plan with Nonforfeitable Benefits. The Contract must be purchased under a Section 403(b) Plan. Pursuant to Reg. § 1.403(b)-3(a)(1), the Contract may not be purchased under a plan qualifying under Code Section 401(a) or 403(a) or an eligible governmental plan under Code Section 457(b). The Annuitant shall be at all times the Owner of the Contract (or its beneficial Owner where a fiduciary is its legal Owner). Such individual Owner's rights under the Contract shall be nonforfeitable, and the Contract shall be for the benefit of such Owner and his or her beneficiaries.
2. Contract Benefits Not Transferable. No benefits under the Contract may be transferred, sold, assigned, borrowed, or pledged as collateral for a loan, or as security for the performance of an obligation, or for any other purpose, to any person other than Us, except as permitted by (a) a federal tax lien, (b) an order under Code Section 401(a)(13)(C), or (c) Reg. § 1.403(b)-10(b) or (c) (e.g., in the case of a transfer or distribution pursuant to a QDRO, , or a direct transfer to a governmental defined benefit plan pursuant to Code Section 403(b)(13)).
3. No Additional Contributions. No contribution attributable to any period after December 31, 2008 (and no rollover contribution made after such date) shall be allowed into the Contract.
4. Distribution Restrictions.
  - (a) Distribution of Elective Deferrals. Pursuant to Code Section 403(b)(11) and Reg. § 1.403(b)-6, distributions (other than to correct excess Contributions, or upon termination of the Section 403(b) Plan) that are attributable to Elective Deferrals may be made only when the Owner attains age 59½, has a Severance from Employment, dies, becomes disabled (within the meaning of Code Section 72(m)(7)), incurs a hardship, is eligible for a qualified reservist distribution to which Code Section 72(t)(2)(G) applies, or is eligible for permissive withdrawal under Code Section 414(w)(2). Any such distribution made due to a hardship is limited to the Owner's Elective Deferrals (excluding any income thereon) reduced by the aggregate prior distributions to the Owner from the Contract.

- (b) Other Distributions Not Attributable to Elective Deferrals. Other distributions not attributable to Elective Deferrals but attributable to other amounts that have been held in a Code Section 403(b)(7) custodial account are generally subject to corresponding restrictions, except that no distribution for hardship is allowable under Reg. § 1.403(b)-6(c). Otherwise, distributions from the Contract generally are not permitted prior to the Owner's Severance from Employment or some other event allowed by Reg. § 1.403(b)-6(b), except to the extent that such a distribution is attributable to either (i) after-tax employee contributions or earnings thereon, or (ii) amounts separately accounted for an eligible rollover distribution pursuant to Reg. § 1.403(b)-6(i) and -10(d).
  - (c) Certain Mandatory Distributions. Pursuant to Code Sections 403(b)(10) and 401(a)(31)(B), if the distributee of any mandatory distribution that is described in Code Section 401(a)(31)(B)(ii) and that exceeds \$1,000 does not elect to have such distribution paid either to such distributee or in a direct transfer to an eligible retirement plan pursuant to Code Section 401(a)(31)(A), such distribution shall be paid in a direct transfer to an individual retirement plan designated by the Eligible Employer sponsoring the governing Section 403(b) Plan (or by another fiduciary thereunder), and the distributee shall be notified in writing about such transfer and that such distribution may be transferred to another individual retirement plan, in accordance with Code Section 401(a)(31) and Reg. § 1.403(b)-7(b)(5) (and to the extent required thereby).
5. Rollover Distributions. Despite any provision of a governing Section 403(b) Plan to the contrary that would otherwise limit a distributee's election under this Section B.5, pursuant to Code Sections 403(b)(10) and 401(a)(31) and Reg. § 1.403(b)-7(b) a distributee may elect, at the time and in the manner prescribed by Us (and, where applicable, by the Eligible Employer), to have any portion of an eligible rollover distribution (within the meaning of Code Section 402(f)(2)(A)) paid directly to an eligible retirement plan described in Code Section 401(a)(31)(E) that is specified by the distributee, by means of a direct transfer or direct rollover. We may establish reasonable administrative rules applicable to such a direct transfer or rollover.
  6. Joint and 50% Survivor Annuity Requirements. For a Contract that is subject to the survivor benefit requirements of Code Section 401(a)(11) under Reg. § 1.401(a)-20, Q&A-3(a) or (d) (e.g., where the Section 403(b) Plan is subject to ERISA Title I section 205), if the Owner is married at the Annuity Start Date, payments shall be made in the form of a Joint and 50% Survivor Annuity, with the Owner's Spouse as the Joint Annuitant, unless an optional form of benefit is selected in accordance with this Section B.6. Under this Joint and 50% Survivor Annuity form, payments shall be made during the lifetime of the Owner and, following the Owner's death, payments equal to 50% of the joint payment amount shall continue to such Spouse for life. In addition, the benefits under such a Contract are provided in accordance with the applicable consent, present value, and other requirements of Code Sections 401(a)(11) and 417 and Reg. § 1.417(e)-1(e) and the rules in Reg. § 1.401(a)-20, Q&A-25 (for participants who are unmarried or who have a change in marital status and for surviving spouses).
    - (a) The Owner may choose (without the consent of any other person) an alternative amount of the payment continuing to the Surviving Spouse from the joint and survivor annuity options available under the Contract or offered by Us, provided that the amount of each payment to the Surviving Spouse under such option shall be not less than 50%, nor greater than 100%, of the periodic annuity benefit amount paid to the Owner, in accordance with Code Section 417(b).
    - (b) In addition to the joint and survivor annuity options described in Section B.6(a) above, as of the Annuity Start Date, the Owner can elect any other optional form of payment that is available under the Contract or offered by Us, provided that both of the following conditions are satisfied:
      - (i) In accordance with Code Section 417 and Reg. § 1.401(a)-20, Q&A-31, the Owner files a Qualified J&S Election with Us within the 180-day period ending on such date, as follows (after receiving a written explanation thereof, including the revocability of such an election during such period, from a Plan representative):

- (1) In the case of an Owner who is married at the time of election, a Qualified J&S Election is made by (A) a written statement by the Owner waiving the joint and survivor annuity options described above in this Section B.6 and specifying the form of benefit and the beneficiary designation(s) desired, and (B) a written statement from the Owner's Spouse consenting to such election. Neither the form of benefit nor any beneficiary designation selected in such a Qualified J&S Election can be changed without spousal consent, unless such Spouse consents in writing to future designations by the Owner without such spousal consent. Any such written spousal consent must acknowledge the election's effect and be witnessed by a notary public or Plan representative. If it is established to the satisfaction of a Plan representative that such Spouse's consent cannot be obtained because such Spouse cannot be located or because of other circumstances allowed by Regulations, the Owner's election can still be deemed to be a Qualified J&S Election; or
    - (2) In the case of an Owner who is not married at the time of election, a Qualified J&S Election is made by a written statement by the Owner to a Plan representative attesting to the fact that he or she is not married and specifying the optional form of payment and beneficiary designation(s) desired.
  - (ii) The option selected satisfies any applicable requirements of Section B.8 below.
7. Survivor Benefits for Plans Subject to Joint and 50% Survivor Annuity Requirements. For a Contract that is subject to the survivor benefit requirements of Code Section 401(a)(11) under Reg. § 1.401(a)-20, Q&A-3(a) or (d), if an Owner is married upon the Owner's death, then the deceased Owner's interest in the Contract is subject to the provisions of the next paragraph (a) (in addition to Section B.9 below), unless such Spouse is deemed to have consented to a less favorable disposition of such interest in accordance with the next paragraph (b).
- (a) The Surviving Spouse shall be treated as the sole beneficiary of the following portion of the deceased Owner's interest in the Contract, and may apply any part (or all) of such beneficial interest to provide an annuity that satisfies any applicable requirements of Section B.9 below and Reg. § 1.401(a)-20 (e.g., Q&A-20 and Q&A-22):
    - (i) The Surviving Spouse shall be treated as the sole beneficiary of such Owner's interest in the Contract if no other beneficiary is entitled to any portion of such interest as of such Owner's death, or
    - (ii) If some other beneficiary is entitled to any portion of such Owner's interest in the Contract as of such Owner's death, then the Surviving Spouse shall be treated as the sole beneficiary of at least 50% of the nonforfeitable account balance of the Contract as of such Owner's death, in accordance with Code Section 417(c), and all of such Surviving Spouse's beneficial interest shall be treated as a Separate Share.
  - (b) The Surviving Spouse shall be deemed to have consented to a less favorable disposition of the deceased Owner's interest in the Contract than that provided under the immediately preceding paragraph (a), if in accordance with Code Section 417(a)(2) either:
    - (i) Such Spouse (or such Spouse's legal representative) has consented to such a disposition and acknowledged its effect in a written statement witnessed by a notary public or a Plan representative, or
    - (ii) It is established to the satisfaction of a Plan representative that such consent cannot be obtained because such Spouse cannot be located or does not exist or because of other circumstances allowed by Regulations.

- (c) Subject to such deemed spousal consent, the Owner may provide for any disposition of such Owner's interest in the Contract that is different from that in the immediately preceding paragraph (a) by a revocable election that (i) specifies the form of benefit and the beneficiary designation(s) desired and (ii) otherwise qualifies under Code Section 417, after receiving a written explanation thereof from a Plan representative. An Owner that makes such a revocable election also shall have the option of selecting a qualified optional survivor annuity in accordance with Code Sec. 417(a)(1)(A)(ii).
8. Required Minimum Distributions (RMDs). The Contract and all benefits, distributions and payments made under it shall comply with and conform to the RMD and incidental benefit rules of Code Sections 401(a)(9) and 403(b)(10) and the Regulations relating thereto (e.g., Reg. § 1.403(b)-6), as well as any applicable survivor benefit rules referred to above in Section B.6 or B.7, and shall be administered or adjusted accordingly, e.g., pursuant to the Tax Qualification Provisions in Part C below. Such rules shall override any benefit, distribution, or payment provisions in the Contract that are inconsistent with such rules, and the selection of any annuity or other distribution option described in the Contract that does not satisfy the requirements of this Section B.8 or Code Section 401(a)(9) shall not be permitted. Accordingly, except to the extent that RMDs are waived in accordance with Code Section 401(a)(9) (e.g., for 2009):
- (a) The entire interest under the Contract shall be distributed:
- (i) No later than the Required Beginning Date, or
- (ii) By periodic distributions, starting no later than the Required Beginning Date, over the Owner's life or the lives of the Owner and a Designated Beneficiary (or over a period not extending beyond the Owner's Life Expectancy or the joint and last survivor Life Expectancy of the Owner and a Designated Beneficiary).
- (b) RMDs shall be made in accordance with the Regulations under Code Section 401(a)(9) and related Code provisions. Accordingly:
- (i) If the Owner has not elected otherwise in writing to Us by the Owner's Election Date to have the Owner's entire interest distributed under another method available under the Contract or offered by Us that qualifies under Code Section 401(a)(9) (e.g., under Reg. § 1.401(a)(9)-6, Q&A-1(a), or § 1.401(a)(9)-8, Q&A-2), the RMD amount that must be distributed each Distribution Year with respect to the Contract shall be equal to the quotient obtained by dividing the Owner's account balance for the Contract (as determined under Reg. § 1.401(a)(9)-6, Q&A-12, § 1.403(b)-6(e)(2) and § 1.408-8, Q&A-6, including any adjustment for any rollover, transfer, or recharacterization under Reg. § 1.408-8, Q&A-7 or Q&A-8) by the Applicable Distribution Period. For these purposes -
- (1) The Applicable Distribution Period is determined by using the Uniform Lifetime Table in Reg. § 1.401(a)(9)-9, Q&A-2, in accordance with Reg. § 1.401(a)(9)-5, Q&A-4(a), or
- (2) If the Owner's Spouse is treated as the sole Designated Beneficiary for the Contract (taking any Separate Shares into account) for the Distribution Year under Reg. § 1.401(a)(9)-5, Q&A-4(b), the Applicable Distribution Period is the longer of the distribution period under subparagraph (1) immediately above or the joint Life Expectancy of the Owner and such Spouse, recalculated annually and based on their attained ages as of their birthdays in such Distribution Year, as reflected in the Joint and Last Survivor Table in Reg. § 1.401(a)(9)-9, Q&A-3.

Such RMD must be distributed no later than the Required Beginning Date for the first Distribution Year, and for each subsequent Distribution Year by December 31 thereof. However, the Owner may arrange to have any portion (or all) of such RMD distributed from another TSA owned by such Owner (rather than from the Contract) in accordance with Reg. § 1.403(b)-6(e)(7). If the Owner dies on or after the Required Beginning Date, an RMD is required for the Owner's Year of Death, determined as if the Owner had lived throughout that year.

- (ii) As of the Owner's Election Date or at any time thereafter (on 30 days notice to Us), the Owner may elect in writing to have any portion or all of the undistributed interest under the Contract applied to an annuity option available under the Contract or offered by Us that qualifies under Code Section 401(a)(9) or Reg. § 1.401(a)(9)-6, Q&A-1(a) (and is not prohibited by any applicable survivor benefit rules referred to in Section B.6 or B.7 above), in accordance with Reg. § 1.401(a)(9)-8, Q&A-2(a)(3). Such an annuity option must make annuity or other periodic payments at intervals no longer than one year, and must satisfy the other requirements of Reg. § 1.401(a)(9)-6, including:
    - (1) Life annuity or a joint and survivor annuity. The Owner must be a measuring life under any life annuity elected during the Owner's lifetime. Any periodic annuity payment to any survivor under a joint and survivor annuity may not exceed the applicable percentage of the annuity payment to the Owner and other limits, as provided in Reg. § 1.401(a)(9)-6, Q&A-2.
    - (2) Life (or joint and survivor) annuity with period certain. The amounts and duration of the annuity payments must satisfy the requirements in Reg. § 1.401(a)(9)-6, Q&A-1(b) and Q&A-2(d).
    - (3) Period certain annuity without a life contingency. The period certain may not exceed the maximum period specified in Reg. § 1.401(a)(9)-6, Q&A-3(a) and Q&A-10(b).
    - (4) Annuity payments may not be in increasing amounts, except as allowed by Reg. § 1.401(a)(9)-6, Q&A-1(a) or Q&A-14.
  - (c) The Owner or any Owner's beneficiary, as applicable, shall have the sole responsibility for requesting or arranging for distributions that comply with this Endorsement and any applicable tax requirements.
  - (d) Any current death benefit protection amount (in excess of the current account balance amount), or any disability, health, or accident benefit amount, that is provided by the Contract shall not exceed the amount permitted either by the incidental benefit rules in Reg. § 1.403(b)-6(g) or -8(c) or by the Section 403(b) Plan.
9. RMDs upon Owner's Death. Upon the Owner's death, RMDs shall be made under the Contract in accordance with this Section B.9 and Code Section 401(a)(9) (and other Code provisions and Regulations relating thereto). Accordingly, selection of any annuity or other distribution option described in the Contract that does not satisfy the requirements of this Section B.9 or Code Section 401(a)(9) shall not be permitted.
- (a) If the Owner dies before distribution of his or her interest in the Contract has begun in accordance with paragraph 8(a) above and Code Section 401(a)(9)(A)(ii) (e.g., before the Required Beginning Date), the entire interest shall be distributed by December 31 of the fifth calendar year that follows the Owner's Year of Death, except to the extent that paragraph 9(c) or (d) below applies.

- (b) If the Owner dies after distribution of the Owner's interest in the Contract has begun in accordance with paragraph 8(a) above and Code Section 401(a)(9)(A)(ii) (e.g., on or after the Required Beginning Date) but before the Owner's entire interest has been distributed, the remaining interest shall be distributed at least as rapidly as under the method of distribution being used immediately prior to the Owner's death, except to the extent that paragraph 9(c) or (d) below applies. To the extent that the Contract has no annuity payout option in effect and no Measuring Designated Beneficiary as of the Applicable Designation Date (and paragraph 9(c) and (d) do not apply), then the RMD amount that must be distributed each Distribution Year with respect to the Contract shall be equal to the quotient obtained by dividing the account balance for the Contract (as determined in accordance with subparagraph 8(b)(i) above) by the Applicable Distribution Period. For this purpose, the Applicable Distribution Period shall be determined by the Owner's remaining Life Expectancy, using the Owner's age as of the Owner's birthday in the Owner's Year of Death. For Distribution Years after the Owner's Year of Death such Applicable Distribution Period is reduced by one year for each calendar year that has elapsed since the Owner's Year of Death.
- (c) If the Surviving Spouse is the sole Designated Beneficiary under the Contract (taking any Separate Shares into account) as of the Applicable Designation Date, then -
  - (i) If no irrevocable written election to the contrary has been filed with Us by the deceased Owner or the Surviving Spouse prior to the Spouse's Continuation Election Date, the Contract shall continue in the name of the deceased Owner, and RMDs must begin by the Spouse's Required Beginning Date and be made in accordance with Section B.8 above. For these purposes, the Applicable Distribution Period for each Distribution Year after the Owner's Year of Death -
    - (1) Is measured by the Surviving Spouse's remaining Life Expectancy, recalculated annually through the Spouse's Year of Death, and
    - (2) For a Distribution Year after the Spouse's Year of Death, is measured by the Surviving Spouse's remaining Life Expectancy as of the Surviving Spouse's birthday in the Spouse's Year of Death, reduced by one year for each calendar year that has elapsed since the calendar year next following the Spouse's Year of Death.

However, if the Owner dies on or after the Required Beginning Date, such Applicable Distribution Period shall not be shorter than the Applicable Distribution Period measured by using the Owner's remaining Life Expectancy in accordance with paragraph 9(b) above and Reg. § 1.401(a)(9)-5, Q&A-5(a)(1). If the Surviving Spouse dies before the Spouse's Required Beginning Date for such a continued Contract, then the Surviving Spouse shall be treated as the deceased Owner for purposes of this Section B.9 (except that any surviving spouse of such a deceased Surviving Spouse cannot continue the Contract further under this subparagraph (i) as a Surviving Spouse). Any Surviving Spouse may arrange to have any portion (or all) of any RMD that is distributable with respect to such Spouse's interest in the Contract distributed from another TSA formerly owned by the deceased Owner for which such Spouse is also a designated beneficiary (rather than from the Contract) in accordance with Reg. § 1.403(b)-6(e)(7).

- (ii) The Surviving Spouse may make an irrevocable election in writing with Us by the Spouse's Continuation Election Date to have such Surviving Spouse's entire interest under the Contract distributed under another method available under the Contract or offered by Us that qualifies under Code Section 401(a)(9), e.g., under Reg. § 1.401(a)(9)-6, Q&A-1(a), or § 1.401(a)(9)-8, Q&A-2. In addition to any optional method that qualifies under the 5-year rule in paragraph 9(a) above, such optional methods include the following:
  - (1) Any annuity option that satisfies Reg. § 1.401(a)(9)-5, Q&A-1(e), and provides for periodic distributions that begin no later than the Spouse's Required Beginning Date, or

- (2) Any other method that provides for periodic distributions that begin no later than the Spouse's Required Beginning Date and do not extend beyond the Applicable Distribution Period determined in accordance with subparagraph 9(c)(i) above.
- (d) If as of the Applicable Designation Date the Contract (taking any Separate Shares into account) has at least one Designated Beneficiary and no entity (e.g., a trust or estate) is treated under Reg. § 1.401(a)(9)-4, Q&A-3, as a beneficiary under the Contract, then -
  - (i) To the extent that no irrevocable written election to the contrary has been filed with Us by the deceased Owner or any such Designated Beneficiary by the DB Election Date (and no Surviving Spouse is the sole Designated Beneficiary), then annual distributions of the remaining interest in the Contract must be made over the Applicable Distribution Period starting no later than the DB Required Beginning Date. In that case, the RMD amount that must be distributed each Distribution Year with respect to the Contract shall be equal to the quotient obtained by dividing the account balance for the Contract (as determined in accordance with subparagraph 8(b)(i) above) by the Applicable Distribution Period. For these purposes -
    - (1) The Applicable Distribution Period for the Distribution Year next following the Owner's Year of Death is determined by the Measuring Designated Beneficiary's remaining Life Expectancy, using such beneficiary's age as of such beneficiary's birthday in such Distribution Year; and
    - (2) For a subsequent Distribution Year the Applicable Distribution Period is reduced by one year for each calendar year that has elapsed since the calendar year next following the Owner's Year of Death.

However, if the Owner dies on or after the Required Beginning Date, such Applicable Distribution Period shall not be shorter than the Applicable Distribution Period measured by using the Owner's remaining Life Expectancy in accordance with paragraph 9(b) above and Reg. § 1.401(a)(9)-5, Q&A-5(a)(1). Such RMD must be distributed no later than the DB Required Beginning Date, and for each subsequent Distribution Year by December 31 thereof. However, any Designated Beneficiary may arrange to have any portion (or all) of such RMD (that is distributable with respect to such beneficiary's interest in the Contract) distributed from another TSA formerly owned by such deceased Owner for which such beneficiary is also a designated beneficiary (rather than from the Contract) in accordance with Reg. § 1.403(b)-6(e)(7).

- (ii) Any such Designated Beneficiary may make an irrevocable election in writing with Us by the DB Election Date to have such Designated Beneficiary's entire interest under the Contract distributed under another method available under the Contract or offered by Us that qualifies under Code Section 401(a)(9), e.g., under Reg. § 1.401(a)(9)-6, Q&A-1(a), or § 1.401(a)(9)-8, Q&A-2. In addition to any optional method that qualifies under the 5-year rule in paragraph 9(a) above, such optional methods include the following:
    - (1) Any annuity option that satisfies Reg. § 1.401(a)(9)-5, Q&A-1(e), and provides for periodic distributions that begin no later than the DB Required Beginning Date, or
    - (2) Any other method that provides for periodic distributions that begin no later than the DB Required Beginning Date and do not extend beyond the Applicable Distribution Period determined in accordance with subparagraph 9(d)(i) above.
- (e) Any amounts payable to a minor child of the Owner shall be treated as if they are payable to the Surviving Spouse to the extent that the remainder of the interest becomes payable to such Spouse when such child reaches the age of majority, in accordance with Reg. § 1.401(a)(9)-6, Q&A-15.

- (f) Unless the Owner has provided to the contrary in writing to Us (e.g., by selecting an annuity option that is not prohibited by any applicable survivor benefit rules referred to in Section B.6 or B.7 above), any beneficiary of any interest under the Contract shall have an unlimited right after the Notice Date, upon 30 days written notice to Us, to withdraw any portion or all of such interest or to apply any such amount to an annuity option that qualifies under Reg. § 1.401(a)(9)-5, Q&A-1(e).

10. Annual Reports. We shall furnish annual calendar year reports concerning the status of the Contract and such information concerning RMDs as is prescribed by the IRS.

### **C. Tax Qualification and ERISA Provisions**

This Endorsement is intended to qualify the Contract as a TSA under Code Section 403(b) for federal tax purposes, and to satisfy the applicable requirements of Code Section 403(b) and any Regulations relating thereto. To achieve these purposes, the provisions of this Endorsement and the Contract (including any other endorsement or rider that does not specifically override these tax qualification provisions) shall be interpreted to ensure or maintain such a tax qualification, despite any other provision to the contrary. Any benefits, payments, or distributions under the Contract shall be conformed or restricted to, or made in, any amount, time, and manner needed to maintain such a tax qualification under the applicable provisions of the Code and Regulations, and the Contract is subject to subdivision or severance to maintain such a tax qualification of the Contract (including the favorable tax treatment of any distribution thereunder) to the maximum extent possible, e.g., under Reg. § 1.403(b)-3(b)(2), -3(d), -4(f), -6 or -10(d). We reserve the right to amend this Endorsement or the Contract from time to time to reflect any clarifications that may be needed or are appropriate to maintain such a tax qualification or to conform the Contract to any applicable changes in the tax qualification requirements, as provided in the Code or any Regulations or other published IRS guidance relating thereto. We also reserve the right to amend this Endorsement or the Contract from time to time in order to meet any requirements that may apply to it under ERISA. We will send you a copy of any such amendment, and when required by law, We will obtain the approval of the appropriate regulatory authority.

### **D. TSA Loan Provisions**

If the Contract allows loans, it is subject to the TSA Loan Provisions in this Part D. Although there are no restrictions on your ability to exercise any right provided by the loan provisions in the Contract, any exercise of those loan provisions that is not permitted by the governing Section 403(b) Plan or by this Endorsement may disqualify such loan, the Contract or such Section 403(b) Plan from favorable tax treatment under Code Section 403(b) or 72(p). Subject to this caveat and the TSA Loan Limits in Section D.1 below, you may request a TSA Loan from your Contract that is provided by a legally enforceable agreement and is secured by a portion of the Contract's cash value ("Contract Debt"). Adverse tax consequences may result if you exceed your TSA Loan limits or you fail to satisfy the repayment requirements for a qualified TSA Loan under Code Section 72(p)(2), and any TSA Loan must be repaid in full no later than the Annuity Start Date. Any such excess loan amount or failure to repay could result in a Disqualified TSA Loan that could be treated as a currently taxable distribution from your Contract (e.g., under Reg. § 1.403(b)-7(d) or Reg. § 1.72(p)-1), and may be subject to federal tax withholding and a federal penalty tax on premature distributions, regardless of when any such unpaid amounts are repaid. Such a Disqualified TSA Loan also could lead to one or more automatic withdrawals from your Contract's cash value to repay such loan. The tax and other qualified retirement plan rules relating to TSA Loans are complex and in many cases unclear, and may involve spousal consent requirements (e.g., under ERISA Title I Section 205 or Code Sections 401(a)(11) and 417(a)(4), pursuant to Reg. § 1.401(a)-20, Q&A-3(d) and Q&A-24). For these reasons, and because the rules vary depending on the individual circumstances of each Contract, We advise that you consult with a qualified tax adviser before exercising the TSA Loan Provisions of the Contract.

1. TSA Loan Limits. No TSA Loan made under your Contract is allowed to exceed the lesser of (a) or (b) where, in accordance with Code Section 72(p)(2)(A):

“(a)” equals \$50,000 less any excess of (i) the highest outstanding balance of plan loans to you (aggregating all loans from the Section 403(b) Plan and other qualified plans) during the one-year period prior to the date such TSA Loan is made, over (ii) the outstanding balance of plan loans to you (aggregating all loans from the Section 403(b) Plan and other qualified plans) on the date such TSA Loan is made; and

“(b)” equals the greater of (i) 50% of your nonforfeitable amount of the Contract’s cash value or (ii) your nonforfeitable amount of the Contract’s cash value up to \$10,000.

If purchase payments have been made under a Code Section 403(b) Plan that is subject to ERISA, the maximum TSA Loan amount in any case cannot exceed 50% of your nonforfeitable amount of the Contract’s cash value. Your Contract or the Section 403(b) Plan may further limit the amount of the loan and the circumstances under which TSA Loans are permitted. In addition, no TSA Loan refinancing or multiple TSA Loans are allowable under the Contract unless such a TSA Loan transaction satisfies the applicable requirements of Reg. § 1.72(p)-1, Q&A-19(b) and Q&A-20. The interest rate on any TSA Loan shall not exceed a reasonable rate of interest, within the meaning of Code Section 4975(d)(1)(D) and Reg. § 1.403(b)-6(f). In addition, withdrawals and transfers under the Contract shall be restricted while any Contract Debt is outstanding. We are not responsible for making any determinations or any interpretations with respect to your Section 403(b) Plan (including any permitted TSA Loan amount or refinancing, or any suitability of, or adequate security for, any TSA Loan under ERISA fiduciary standards).

2. Repayment and Default Terms. You must repay principal and interest of any TSA Loan generally within 5 years after its effective date. However, if you have certified to Us that your TSA Loan proceeds will be used to acquire a dwelling unit that is to be used as your principal residence under Code Section 72(p)(2)(B)(ii), then you may request a TSA Loan for a reasonable time that is provided in your TSA Loan agreement, which may exceed 5 years. In either case, you must repay any loan under the Contract in full prior to the Annuity Start Date.

- (a) Your TSA Loan, including principal and accrued interest, must be repaid in quarterly (or more frequent) installments that are substantially level, in accordance with Code Section 72(p)(2)(C). If a TSA Loan repayment is not made when due, We will declare the entire remaining TSA Loan balance in default. At that time, We will provide written notification of the amount needed to bring the TSA Loan back to the current status. You generally will have a specified grace period from the date on which the TSA Loan is declared in default to make the required repayment, but such grace period shall not extend beyond the end of the calendar quarter following the calendar quarter in which such TSA Loan repayment was due, in accordance with Reg. § 1.72(p)-1, Q&A-10(a).

- (b) If the required repayment is not received by the end of such grace period, to the extent provided in your TSA Loan agreement or as otherwise required under federal tax law, We will treat the entire unpaid TSA Loan balance (including any accrued interest thereon) as a taxable distribution to you as of the time of such nonpayment, in accordance with Code Section 72(p) and any Regulations relating thereto. The amount of the outstanding loan is taxable at the time of such nonpayment, even if the amount is not eligible for distribution and may be subject to contractual withdrawal or surrender charges. To the extent permissible under the Code (including Code Section 403(b)(11)) and ERISA, We also shall process a withdrawal against the nonforfeitable amount of the Contract’s cash value (e.g., by partial surrender) after the end of the grace period so as to surrender the amount of cash value necessary to pay all or a portion of the defaulted TSA Loan balance and any withdrawal or surrender charge and required tax withholding. The processing of any such withdrawal after the grace period shall reduce the TSA Loan balance owing and stop any further interest from accruing on the portion of the loan balance offset. However, it will not prevent or reverse a default of the loan or the tax reporting of the entire loan balance as a distribution for tax purposes, if a repayment has not been received by us from you by the end of the grace period for the repayment.

- (c) If We are prohibited under federal tax law or ERISA from processing a withdrawal to repay amounts for which you are legally in default under the terms of your TSA Loan agreement, you shall continue to be charged interest on the delinquent amounts, as provided under the terms of your TSA Loan agreement, until such a withdrawal can be made. If required by federal tax law, We also will report as a taxable distribution any of the interest charged and not paid with respect to any amounts in default which We are not permitted to withdraw from the Contract's cash value. When We are no longer prohibited under federal tax law or ERISA from processing a withdrawal to repay amounts for which you are legally in default under the terms of your TSA Loan agreement, We will process a withdrawal against the nonforfeitable amount of the Contract's cash value so as to surrender the amount of cash value necessary to pay all or a portion of the defaulted TSA Loan balance and any withdrawal or surrender charge and required tax withholding.
3. **Tax Provisions.** The terms of any TSA Loan made pursuant to this Endorsement are intended to qualify for the exceptions in Code Sections 72(p)(2) and 4975(d)(1) so that the distribution of the TSA Loan proceeds will not constitute a distribution that is taxable to you. To achieve these purposes, these TSA Loan provisions and the provisions of the Contract (including any endorsement or rider that does not specifically override these tax qualification provisions) shall be interpreted to ensure and maintain such a tax qualification, despite any other provision to the contrary. We reserve the right to amend this Endorsement or the Contract from time to time to reflect any clarifications that may be needed or are appropriate to maintain such a tax qualification or to conform the Contract to any applicable changes in the tax qualification requirements, as provided in the Code or any Regulations or other published IRS guidance relating thereto. We will send you a copy of any such amendment, and when required by law, We will obtain the approval of the appropriate regulatory authority.

#### **E. Tax Treatment and Provisions for Any Nonqualified Portion**

To the extent that (and so long as) any portion (or all) of the Contract is finally determined by the appropriate authorities or parties to the Contract to not qualify as part of a TSA arrangement, such portion nevertheless shall be treated as a separate contract that qualifies as an annuity contract for federal tax purposes, and shall be subject to the provisions of this Part E, except to the extent that any of these Part E provisions are specifically overridden by some other endorsement or rider to the Contract. Absent such an override, any such separate annuity contract shall be subject to the following provisions in this Part E to maintain its annuity tax qualification:

##### **1. Required Distributions Before or After the Annuity Start Date**

- (a) **Death of Owner or Primary Annuitant, or Change of Primary Annuitant.** Subject to the alternative election, spouse beneficiary, and interpretative provisions in subsection (b) or (c) immediately below, or in the tax qualification provisions in Section E.2 below -
- (i) If any Owner dies on or after the Annuity Start Date and before the entire interest in the Contract has been distributed, the remaining portion of such interest shall be distributed at least as rapidly as under the method of distribution being used as of the date of such death;
  - (ii) If any Owner dies before the Annuity Start Date, the entire interest in the Contract shall be distributed within 5 years after such death;
  - (iii) If the Owner is not an individual, then for purposes of the immediately preceding subparagraph (i) or (ii), (1) the Primary Annuitant (see subparagraph (c)(i) below) under the Contract shall be treated as the Owner, and (2) any change in the Primary Annuitant allowed by the Contract shall be treated as the death of the Owner; and
  - (iv) Any postponement of the Annuity Start Date, if allowed by the Contract, may not be postponed beyond the Primary Annuitant's attaining age 95, without Our written consent.

- (b) Alternative Election and Spousal Beneficiary Provisions That Satisfy Distribution Requirements. Subject to any restrictions imposed by any Regulations or other published IRS guidance interpreting Code Section 72(s) -
- (i) If any portion of the interest of an Owner described in subsection (a) immediately above is payable to or for the benefit of an individual designated as a beneficiary by an Owner, and such beneficiary elects after such death to have such portion distributed over a "Qualifying Distribution Period" (described herein) that is allowed by the Contract upon such death, then for purposes of satisfying the requirements of subparagraph (a)(i) or (a)(ii) immediately above, such portion shall be treated as distributed entirely on the date such periodic distributions begin. A "Qualifying Distribution Period" is a period that (1) does not extend beyond such beneficiary's life (or life expectancy) and (2) starts within one year after such death.
  - (ii) Such a designated beneficiary includes any individual joint Owner or successor Owner who becomes entitled to any portion of such an interest upon an Owner's death, or any other individual who controls the use of the cash value of such a portion upon an Owner's death. Any designated beneficiary may elect any settlement or other distribution option that is allowed by the Contract or Us upon an Owner's death if the option is for a Qualifying Distribution Period. In determining which distribution options can qualify for such a Qualifying Distribution Period, We may treat any contract amount that is payable upon an Owner's death to a trust (or other entity) for the benefit of an individual beneficiary as an interest (or portion thereof) that is payable for the benefit of such a designated beneficiary under this subsection (b), where such individual beneficiary certifies to us that he or she (1) is treated as the tax owner of such a trust amount for federal income tax purposes (e.g., under Code Sections 671-678) and (2) can compel its distribution to himself or herself from such trust.
  - (iii) If any portion of the interest of an Owner described in subsection (a) immediately above is payable to or for the benefit of such Owner's surviving spouse (e.g., as a result of such spouse being a joint Owner), then such spouse shall be treated as the Owner with respect to such portion for purposes of the requirements of subsection (a). Where such spouse is the sole designated beneficiary of the Contract upon such Owner's death, such spouse may elect to continue the Contract as the Owner, and We may treat such spouse as the annuitant if such deceased Owner was the annuitant and no other surviving annuitant has been designated.
- (c) Interpretative Provisions. Subject to any contrary provisions in any Regulations or other published IRS guidance interpreting Code Section 72(s):
- (i) The Primary Annuitant means the individual, the events in the life of whom are of primary importance in affecting the timing or amount of the payout under the Contract, as defined in Code Section 72(s)(6)(B) (and any Regulations relating thereto).
  - (ii) We will treat any holder of the Contract as its Owner for purposes of subsection (a) or (b) immediately above where necessary or appropriate.

2. **Tax Qualification.** The Contract is intended to qualify as an annuity contract for federal income tax purposes and to satisfy the applicable requirements of Code Section 72(s). To achieve these purposes, the provisions of the Contract (including this Endorsement and any other endorsement or rider to the Contract that does not specifically override these Section 72(s) tax qualification provisions) shall be interpreted to ensure or maintain such a tax qualification, despite any other provision to the contrary. Any benefits, payments, or distributions under the Contract shall be conformed or restricted to, or made in, any amount, time, and manner needed to maintain such a tax qualification under the applicable provisions of the Code and Regulations. We reserve the right to amend this Endorsement or the Contract from time to time to reflect any clarifications that may be needed or are appropriate to maintain such a tax qualification or to conform the Contract to any applicable changes in the tax qualification requirements, as provided in the Code or any Regulations or other published IRS guidance relating thereto. We will send you a copy of any such amendment, and when required by law, We will obtain the approval of the appropriate regulatory authority.

**F. Termination of Endorsement**

This Endorsement will end when the Contract terminates.

All other provisions of the Contract remain unchanged.

IN WITNESS WHEREOF, Shenandoah Life Insurance Company has caused this Endorsement to be signed by the [President and Secretary].

**[Jane Doe]**  
**[Secretary]**

**[John Doe]**  
**[President]**

<b>SERFF Tracking #:</b>	SHEN-128739399	<b>State Tracking #:</b>	<b>Company Tracking #:</b>
<b>State:</b>	Arkansas	<b>Filing Company:</b>	Shenandoah Life Insurance Company
<b>TOI/Sub-TOI:</b>	L08 Life - Other/L08.000 Life - Other		
<b>Product Name:</b>	Life Policy Endorsement		
<b>Project Name/Number:</b>	/		

## Supporting Document Schedules

		Item Status:	Status Date:
Satisfied - Item:	Flesch Certification		
Comments:			
Attachment(s):			
Readabilty Certification.pdf			



## READABILITY CERTIFICATION

This is to certify that the forms referenced below are in compliance with the readability requirements of your state.

The Flesch Reading Ease Test was applied to the forms.

FORM NUMBER	SENTENCES	WORDS	SYLLABLES	FLESH SCORE
Form 6058-4/12	61	780	3,843	51.7
Form 6059-4/12	66	976	4,777	47.5
Form 6060-4/12	550	6,829	33,263	53.3

A handwritten signature in cursive script that reads "Kathleen M. Kronau".

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Signature of Company Officer

Kathleen M. Kronau  
Senior Vice President and General Counsel

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Type Name & Title of Person Signing

June 5, 2012

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Date